

**2015-2016 PROPOSED BUDGET
RESPONSE TO REQUEST FOR INFORMATION**

DEPARTMENT: Austin Energy and Aviation

REQUEST NO.: 9

REQUESTED BY: Gallo

DATE REQUESTED: 04/29/15

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REQUEST: On Page 32 of the Financial Forecast Report, Austin Water stated “Approximately 40.8% of total operating revenue each fiscal year is required to pay principal and interest on debt used to finance capital improvements.” Please provide the percentage of operating revenue required for Austin Energy and Aviation to pay principal and interest on debt.

RESPONSE:

For the forecast year of FY 2015-16, Austin Energy projects to use 8.5% of total operating revenue to pay principal and interest on debt used to finance capital improvements. Also for FY 2016, Aviation estimates that an average of 15% of total operating revenue will be required to pay debt service.

Additionally, unlike Austin Water, Austin Energy’s operating revenue is segregated into different revenue streams which are used to pay for certain direct costs. These include the Power Supply Adjustment, Regulatory Charges and Community Benefit Charges. These charges are not used to pay principal and interest on debt. If we exclude these revenues, Austin Energy will use 15.8% of total adjusted operating revenue to pay principal and interest on debt used to finance capital improvements in FY 2015-16.